

DATE

SECRET

TO :

FROM :

ACTION:

INFO :

IN 74118

TO

INFO

SECRET 221938Z CITE [ ] 5556

IDEALIST

FOR [ ]

SUBJ: FY-1967

REF: (A) [ ] 5439, (B) ALSO 4691

1. REF "A" PROVIDED A LINE ITEM BUDGET OF THE [ ]

APPROVED FOR DRAGON LADY PROGRAM FOR FY-1967. THIS COMPARES TO

THE [ ] BUDGET SUBMITTED BY [ ], A REDUCTION OF [ ] 25X1

THE CUTBACK INCLUDE A REDUCTION OF [ ] IN THE AREA OF DEPOT 25X1

SUPPORT FOR [ ] 25X1

2. THE REDUCTIONS FOR SUCH LINE ITEMS AS SP-1922 AND SP-1923  
APPEAR TO BE DRASTIC. THE IMPACT, HOWEVER, MAY BE PARTIALLY OFFSET  
BY THE FOLLOWING FACTORS:

A. AN ESTIMATED [ ] SURPLUS FROM PREVIOUS FISCAL YEAR 25X1  
ALLOCATIONS.

B. AVAILABILITY OF AN UNDETERMINED AMOUNT UPON FINAL  
DETERMINATION OF THE SP-1923 CONVERSION CONTRACT.

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PAGE 2  5556

S E C R E T

IN 74110

25X1

C. THE REDUCTION OF FIVE AIRCRAFT IN OUR COMBINED INVENTORIES SINCE THE FY-1967 BUDGET WAS INITIALLY COMPUTED.

3. THE DIFFERENCE IN THE BUDGETARY VS THE APPROVED FUNDING CERTAINLY WARRANTS A DETAILED IMPACT STUDY. REQUEST  SUBMIT SUCH A STUDY WITH RESPECT TO ITS EFFECT ON ADEQUATE DEPOT SUPPORT.

25X1

4. THE COMPTROLLER'S REDUCTIONS DO NOT AFFECT THE FUNDING RATIOS ESTABLISHED FOR THE VARIOUS COMMON ACCOUNTS AS CAN BE SEEN BY COMPARING THE FIGURES OF THE REF MSGS. THE 40/60 FUNDING RATIO ESTABLISHED FOR FY-1967 FOR LAC AND CERTAIN OTHER CONTRACTORS REMAINS VALID IN ACCORDANCE WITH THE PRESENT BREAKOUT OF OUR RESPECTIVE REDUCED INVENTORIES.

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